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<p>1 MR. BINDER: Objection to form.</p> <p>2 A I do not, no.</p> <p>3 Q Is it correct that, generally</p> <p>4 speaking, ED&F charged the plans fees at two</p> <p>5 stages of the Danish securities transactions?</p> <p>6 Specifically they charged an "up-front" fee</p> <p>7 and a "behind" fee.</p> <p>8 Are you familiar with those terms?</p> <p>9 A I'm familiar with the terms of an</p> <p>10 "up-front" fee and a "behind" fee.</p> <p>11 Q Are you familiar with those terms</p> <p>12 in the context of ED&F's fees charged to the</p> <p>13 defendant plans in this case?</p> <p>14 A I'm sorry. Could you say that</p> <p>15 again?</p> <p>16 Q Sure.</p> <p>17 Are you familiar with those terms</p> <p>18 "up-front fee" and "behind fee" and how they</p> <p>19 worked in the context of ED&F's fees charged</p> <p>20 to the defendant plans in this case?</p> <p>21 A I'm familiar with the up-front fees</p> <p>22 and the behind fees charged to the pension</p> <p>23 plans in the scope of this.</p> <p>24 Q Okay. Can you tell me what you</p> <p>25 know about that topic?</p>	<p>1 A Of course. So my understanding is</p> <p>2 that the up-front fees were charged to the</p> <p>3 pension plans and covered -- the fees covered</p> <p>4 certain costs, such as exchange fees, and it</p> <p>5 covered -- I've seen, Mr. Oxford, in fee</p> <p>6 agreements that has reference to a custody</p> <p>7 fee.</p> <p>8 And the up-front fee is charged to</p> <p>9 the pension plans prior to the trading</p> <p>10 strategy maturing. The behind fee, as I</p> <p>11 understand it, is a fee that is charged to</p> <p>12 the pension plans following the trading</p> <p>13 strategy maturing, and any withholding tax</p> <p>14 that is received by the pension plan.</p> <p>15 Q Is it fair to say that the up-front</p> <p>16 fee that ED&F charged to the defendant plans</p> <p>17 was typically 1 percent of the gross</p> <p>18 dividend?</p> <p>19 A I believe the up-front fee varied,</p> <p>20 and it was on a -- yeah, I don't think it was</p> <p>21 constant as you're referring to it. And I</p> <p>22 believe it also, as it captured exchange</p> <p>23 fees, for example, it would have varied on a</p> <p>24 case-by-case basis.</p> <p>25 Q Okay. Do you have any</p>
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<p>1 understanding of what it varied between?</p> <p>2 What the range of up-front fees was charged</p> <p>3 to the various defendant plans?</p> <p>4 A I don't know.</p> <p>5 Q Is it fair to say that the behind</p> <p>6 fee that ED&F charged the plans ranged from</p> <p>7 27 to 50 percent of the pension plan's</p> <p>8 transaction profit?</p> <p>9 A From the spreadsheets that I saw, I</p> <p>10 recall that the behind fees would be</p> <p>11 calculated after the trading strategy</p> <p>12 matured, as I mentioned, any withholding tax</p> <p>13 to be received by the pension plans, and</p> <p>14 covered all of the costs and -- associated</p> <p>15 with it.</p> <p>16 I don't know of the range,</p> <p>17 Mr. Oxford. However, I don't recall seeing</p> <p>18 any that exceeded 50 percent.</p> <p>19 Q Okay. Can I ask you to turn to</p> <p>20 Tab -- Exhibit 4151, please? First binder,</p> <p>21 Tab 29?</p> <p>22 A Okay.</p> <p>23 Q Can I ask you to turn to Page 39 of</p> <p>24 that document? And I direct your attention</p> <p>25 to Paragraph 140.</p>	<p>1 MR. BINDER: I'm sorry. Neil, can</p> <p>2 we get a specific? There --</p> <p>3 it's -- there are letters on the</p> <p>4 electronic versions. It was 4154.</p> <p>5 Is it "G"?</p> <p>6 MR. OXFORD: It's 4154 -- I'm</p> <p>7 sorry, 51?</p> <p>8 MR. BINDER: 4151.</p> <p>9 MR. OXFORD: There should be no</p> <p>10 letters.</p> <p>11 MR. BINDER: Okay. Give me a</p> <p>12 second, then.</p> <p>13 A Mr. Oxford, which page?</p> <p>14 Q Page 39.</p> <p>15 MR. BINDER: Okay. You know, Neil,</p> <p>16 if we're switching topics right now,</p> <p>17 let's take a short break.</p> <p>18 MR. OXFORD: Okay. We're not</p> <p>19 switching topics.</p> <p>20 MR. BINDER: All right. Well,</p> <p>21 let's take a break anyway. We're</p> <p>22 shifting documents.</p> <p>23 MR. OXFORD: Well --</p> <p>24 MR. BINDER: Let's just take a</p> <p>25 short break.</p>

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24 (Pages 90 to 93)

<p style="text-align: right;">Page 90</p> <p>1 MR. OXFORD: Okay.</p> <p>2 MR. BINDER: Thanks.</p> <p>3 THE VIDEOGRAPHER: Stand by. The</p> <p>4 time is 9:11 a.m. New York time and</p> <p>5 we're going off the record.</p> <p>6 (Brief recess taken.)</p> <p>7 THE VIDEOGRAPHER: Stand by. The</p> <p>8 time is 9:24 a.m. New York time and</p> <p>9 we're back on record.</p> <p>10 Q So, before Mr. Binder called for a</p> <p>11 break, Mr. Hashemi, I was trying to direct</p> <p>12 your attention to Page 39, Paragraph 140 of</p> <p>13 the Schedule of Agreed Facts.</p> <p>14 Do you have that in front of you?</p> <p>15 A Yes, I have it in front of me.</p> <p>16 Q Okay. Have you seen that paragraph</p> <p>17 before?</p> <p>18 A (Witness reviewing.)</p> <p>19 I have seen a version of this</p> <p>20 paragraph. And as I said, the version that I</p> <p>21 had seen didn't include any of the markups.</p> <p>22 Q Okay. Just so we're on the same</p> <p>23 page, the "Agreed Transaction Fee" was the</p> <p>24 fee that ED&F charged to its pension plan</p> <p>25 clients for the Danish dividend — withdrawn.</p>	<p style="text-align: right;">Page 91</p> <p>1 The "Agreed Transaction Fee" was</p> <p>2 the fee that ED&F charged its pension plan</p> <p>3 clients for the trading in Danish securities.</p> <p>4 Correct?</p> <p>5 A Sorry? Could you start again?</p> <p>6 Because I think I got a bit confused because</p> <p>7 you started twice.</p> <p>8 Q Sure. It's a lawyer's habit. When</p> <p>9 I say "withdrawn," that means I'm starting</p> <p>10 the question again.</p> <p>11 But I'll be more clear next time.</p> <p>12 A Sorry. I didn't know that.</p> <p>13 Q There's a reference to "Agreed</p> <p>14 Transaction Fee" in the first sentence.</p> <p>15 Do you see that?</p> <p>16 A Yeah, I see that.</p> <p>17 Q What do you understand that to be?</p> <p>18 A I understand that "Agreed</p> <p>19 Transaction Fee" to be the fees that ED&F Man</p> <p>20 would charge their clients, the pension</p> <p>21 plans, for their services.</p> <p>22 Q That was the fee that they charged</p> <p>23 the plans in connection with their services</p> <p>24 relating to Danish securities trading.</p> <p>25 Correct?</p>
<p style="text-align: right;">Page 92</p> <p>1 A In — for the scope of this</p> <p>2 deposition, yes.</p> <p>3 Q And then, the last sentence,</p> <p>4 ignoring the stuff that is written in color</p> <p>5 which you haven't seen before, it says, "The</p> <p>6 Agreed Transaction Fee varied between 27 to</p> <p>7 50 percent of the transaction's profits and</p> <p>8 between 3 percent and 10 percent of the net</p> <p>9 dividend."</p> <p>10 Do you see that?</p> <p>11 A I can see that's what the document</p> <p>12 says.</p> <p>13 Q Do you understand that to be an</p> <p>14 accurate statement?</p> <p>15 A Based on the documents that I have</p> <p>16 seen, and — that is an accurate statement.</p> <p>17 Q Okay. That's all for that document</p> <p>18 just now.</p> <p>19 We talked about Acer earlier.</p> <p>20 Do you remember that discussion?</p> <p>21 A I do.</p> <p>22 Q Did Acer have a business</p> <p>23 relationship with ED&F?</p> <p>24 MR. BLESSINGTON: Object as to</p> <p>25 form. John Blessington.</p>	<p style="text-align: right;">Page 93</p> <p>1 A Acer was the investment manager of</p> <p>2 ED&F Man's clients' pension plans.</p> <p>3 Q Right. My question is a little</p> <p>4 different, though, so I'm just going to ask</p> <p>5 you to focus on that, if you wouldn't mind</p> <p>6 terribly.</p> <p>7 Did Acer have a business</p> <p>8 relationship with ED&F?</p> <p>9 MR. BINDER: Objection, vague, and</p> <p>10 object to form.</p> <p>11 A I don't know.</p> <p>12 Q Did Acer have accounts at ED&F?</p> <p>13 A Acer was the investment manager for</p> <p>14 the pension plans, Mr. Oxford.</p> <p>15 Q I understand that. You've said</p> <p>16 that a number of times. My question's a</p> <p>17 little bit different.</p> <p>18 Did Acer have accounts in its own</p> <p>19 name at ED&F Man?</p> <p>20 A I do not believe Acer to have</p> <p>21 accounts in its own name.</p> <p>22 Q Did Acer provide any services to</p> <p>23 ED&F Man?</p> <p>24 MR. BLESSINGTON: Object as to</p> <p>25 form.</p>

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1 A Acer would instruct on behalf of
2 ED&F Man's clients, the pension plans.

3 Q Yeah. Again, I'm just going to ask
4 you if you wouldn't mind, because it will
5 make today go a lot easier, just to listen to
6 my question and try and answer that one.

7 My question is: Did Acer provide
8 any services to ED&F Man?

9 Just a yes-or-no question for
10 starters.

11 MR. BLESSINGTON: Objection to
12 form.

13 A I do not believe Acer to have
14 provided any services to ED&F Man.

15 Q Have you ever seen any invoices
16 that Acer sent to ED&F Man?

17 A From the many documents I've seen,
18 I do recall -- I believe it was from Acer.
19 I'm not a hundred percent certain, but I
20 think I have.

21 Q Okay. What do you recall about
22 that invoice?

23 What was it for?

24 A It would have been in relation to a
25 trading strategy of -- of the pension plans.

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1 Q Okay. And what was Acer invoicing
2 ED&F for?

3 A I don't recall at this moment in
4 time, but if you want, we can take a look at
5 the document, and I'll try my best to point
6 out --

7 Q Okay. We might try and dig one up
8 later on.

9 Did you understand that Acer was
10 the investment manager, as we've defined the
11 term here, for nine pension plans that traded
12 through ED&F?

13 MR. BLESSINGTON: Object as to
14 form.

15 A Mr. Oxford, I don't recall if it's
16 exactly nine, but it's around that figure.

17 Q Okay. I'm just going to give you
18 the quick list so we have a clear record.

19 When I refer to "the Acer plans,"
20 I'm referring to the Goldstein Law Group
21 Plan, the American Investment Group Plan, the
22 Kamco Investments Plan, the Kamco LP Plan,
23 Moira Associates LLC Plan, Linden Associates
24 Defined Benefits Plan, Riverside Associates
25 Defined Benefits Plan, NewSong Fellowship

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1 Church 401(k) Plan and DW Construction, Inc.
2 Plan.

3 When I refer to the -- those as
4 "the Acer plans," will you understand what
5 I'm talking about?

6 A I must point out, though, I
7 don't -- I don't recall exactly all of those
8 plans. But yes, I acknowledge what you mean
9 to when you refer to "the Acer plans."

10 Q Great. Thank you.

11 Did ED&F -- withdrawn. Let me
12 start again.

13 In connection with the trading in
14 Danish shares on behalf of the defendant
15 plans, did ED&F have any risk of loss?

16 A The trading strategies of the
17 pension plans were delta hedged -- or delta
18 neutral, should I say. And so, as the role
19 of the broker, like in many other businesses,
20 one of the risks that would be for the broker
21 is counterparty risk.

22 Q What is -- what do you mean by
23 "counterparty risk?"

24 A Counterparty risk is the risk
25 associated to a counterparty in a transaction

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1 potentially failing.

2 Q Did ED&F face any risks in the
3 Danish trading other than counterparty risks?

4 A None that I recall at this moment
5 in time, Mr. Oxford.

6 Q Okay. Can I ask you to turn to
7 Exhibit 1924? It's Tab 17 in your Binder 1.

8 A Yes, I have it.

9 Q Thank you.

10 Have you seen this document before,
11 sir?

12 A I don't recall this document.

13 Q Okay. So this is a one-page
14 document produced to us by Acer ending in
15 Bates 379.

16 It's an e-mail from Stacey Kaminer
17 at Acer to Victoria Foster, March 4, 2014.

18 Do you see that?

19 A March 4, 2014. Yes, I see the
20 e-mail.

21 Q Do you understand that to be an
22 e-mail from Acer to Victoria Foster, formerly
23 of ED&F Man?

24 A I can see that it's from Stacey
25 Kaminer and the e-mail address is "Acer

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1 Invest." I don't recognize that e-mail, but
2 I can -- but it says "Tori Foster."

3 Q Ms. Kaminer writes, "Vic, the
4 Danish and Belgium is our regular agreement,
5 right? 50/50 profit and risk, correct?"

6 Do you see that?

7 A I can see that's what the document
8 says.

9 Q But to your understanding as a
10 representative of ED&F Man today, was there
11 any agreement between Acer and ED&F Man
12 regarding splitting profit and/or risk on the
13 Danish securities trading done for the Acer
14 plans?

15 A (Witness reviewing.)

16 I do not know. I'm not aware of
17 any.

18 Q So, other than counterparty risk,
19 is it your testimony that ED&F Man ran no
20 risk in the Danish trading that it did for
21 the Acer plans?

22 A At this moment in time, I don't
23 recall any other risks that ED&F Man, as the
24 broker, had.

25 Q Was ED&F at a risk of making a loss

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1 if the dividend refund application was not
2 granted by the tax authority, in this case
3 SKAT?

4 A The ED&F -- sorry. Excuse me.

5 ED&F Man would have facilitated the
6 client's trading strategy, and any such loss,
7 if any, would be for the pension plan.

8 Q Focusing on the profit split aspect
9 of this e-mail, is -- is this consistent with
10 your understanding of what the profit split
11 agreement was between ED&F Man and Acer with
12 regard to Danish trading for the Acer plans?

13 MR. BINDER: Objection to form,
14 misstates the evidence, lacks
15 foundation.

16 MR. BLESSINGTON: Object as to
17 form.

18 A I don't know, Mr. Oxford. I can
19 see what the e-mail says.

20 Q Well, let me ask it this way.

21 What was your understanding of the
22 agreement between Acer and ED&F with respect
23 to the split of profits on the Acer plan's
24 Danish trading?

25 MR. BINDER: Objection to form,

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1 lacks foundation, misstates evidence.

2 A As I answered previously, I have
3 seen spreadsheets of -- that I recall from
4 the transaction with one of the Acer plans,
5 and I have seen the -- in the spreadsheet,
6 there are the costs associated, as I
7 described, and a portion of the P&L, once the
8 trading strategy had matured, was allocated
9 to Acer.

10 Q And what portion of the trading
11 P&L, once the transaction had matured, was
12 allocated to Acer for the Danish dividend
13 trading?

14 A I don't recall exactly because I've
15 seen a number of documents. But as I said, I
16 don't recall seeing any that exceeded
17 50 percent.

18 Q In these transactions -- withdrawn.
19 Let me start again.

20 In the spreadsheets you looked at,
21 do you remember how much the Acer plans
22 received as a percentage of the transaction
23 profit at the maturity of the trade?

24 A I do not recall.

25 Q Do you know if it was more or less

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1 than Acer?

2 A Sorry. I don't understand the
3 question.

4 Q In the spreadsheet that you've
5 seen, allocating the profit and loss on the
6 transactions that you've just described -- do
7 you remember telling me about spreadsheets?

8 A I do, yes.

9 Q And those spreadsheets allocated
10 the profit between ED&F Man, Acer, and the
11 Acer plans.

12 Correct?

13 MR. BINDER: Objection to form,
14 misstates the evidence.

15 MR. BLESSINGTON: Object as to
16 form.

17 MR. OXFORD: I'm just going to
18 pause here. Neil, do you see how
19 appropriately and professionally John
20 Blessington does his objections?
21 There's no commentary, there's no
22 coaching of the witness. Please follow
23 John's excellent example.

24 Q Let me ask my question again, sir.

25 MR. BINDER: I am not coaching the

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<p>1 witness. These are proper objections.</p> <p>2 Your questions are improper in that they</p> <p>3 are -- seem to be mischaracterizing</p> <p>4 evidence in a way to confuse the</p> <p>5 witness, and I want to make the nature</p> <p>6 of my objection clear on the record.</p> <p>7 MR. OXFORD: If I'm interested in</p> <p>8 the nature of your objection, Neil, I</p> <p>9 will be sure to ask you. Otherwise,</p> <p>10 please do what John does.</p> <p>11 Q In the spreadsheets that you</p> <p>12 testified earlier, allocating the profit on</p> <p>13 trade, who was the profit allocated between?</p> <p>14 MR. BINDER: Objection to form,</p> <p>15 mischaracterizes the evidence.</p> <p>16 MR. OXFORD: There you go again.</p> <p>17 You just can't help yourself, can you?</p> <p>18 MR. BLESSINGTON: Object as to</p> <p>19 form.</p> <p>20 A I recall, as I said, Mr. Oxford,</p> <p>21 the spreadsheets calculating, once the</p> <p>22 trading structure had matured, the profit and</p> <p>23 loss on the trade, incorporating the</p> <p>24 transaction cost and fees, and that a portion</p> <p>25 of that was allocated to Acer.</p>	<p>1 Q And the portion that wasn't</p> <p>2 allocated to Acer was allocated to which</p> <p>3 entity?</p> <p>4 A It might be easier if we could</p> <p>5 bring up one of the spreadsheets, Mr. Oxford.</p> <p>6 Q I don't know which spreadsheets</p> <p>7 you've looked at, sir. It's just a simple</p> <p>8 question.</p> <p>9 The portion that wasn't allocated</p> <p>10 to Acer, who was it allocated to?</p> <p>11 A I can't remember at this moment in</p> <p>12 time if it was the entire portion that was</p> <p>13 allocated as fees, or behind fees, as we</p> <p>14 referred to before, for ED&F Man.</p> <p>15 But a portion of them would</p> <p>16 be -- would be allocated as the behind fees</p> <p>17 for ED&F Man.</p> <p>18 Q Okay. Let's leave Acer and try and</p> <p>19 make a little progress on another topic.</p> <p>20 Are you familiar with the Cubix</p> <p>21 Managers Limited Partnership?</p> <p>22 A I've heard of Cubix.</p> <p>23 Q And did you understand that it was</p> <p>24 a partnership based in Gibraltar?</p> <p>25 A It sounds familiar to me, but I</p>
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<p>1 can't 100 percent confirm.</p> <p>2 Q Do you know who the investment</p> <p>3 manager was for Cubix?</p> <p>4 A I don't recall. I don't remember</p> <p>5 at this moment in time.</p> <p>6 Q Do you know whether ED&F ever</p> <p>7 received any legal advice on the wording of</p> <p>8 the tax vouchers they had issued in</p> <p>9 connection with securities held on behalf of</p> <p>10 Cubix Managers Limited Partnership?</p> <p>11 A I don't know. I haven't seen -- I</p> <p>12 haven't been informed of them.</p> <p>13 I haven't seen any.</p> <p>14 Q Can we agree that</p> <p>15 where -- withdrawn. Let me start again.</p> <p>16 So ED&F had securities accounts for</p> <p>17 all of the defendant plans.</p> <p>18 Correct?</p> <p>19 A Had what? Sorry.</p> <p>20 Q Securities accounts. They opened</p> <p>21 securities accounts for each of the defendant</p> <p>22 plans?</p> <p>23 A Each of the plans had accounts with</p> <p>24 ED&F Man.</p> <p>25 Q Okay. And you seem to be quibbling</p>	<p>1 with my term "securities accounts."</p> <p>2 What term -- what kind of accounts</p> <p>3 did they have?</p> <p>4 A Well, for example, they would have</p> <p>5 a cash account with ED&F Man.</p> <p>6 Q But they wouldn't hold the shares</p> <p>7 in the cash account, I assume?</p> <p>8 A They wouldn't hold the shares in</p> <p>9 the cash account.</p> <p>10 Q Which kind of account would they</p> <p>11 hold the shares in?</p> <p>12 A In a -- I suppose a custody or</p> <p>13 securities account.</p> <p>14 Q Okay. And where -- just to take an</p> <p>15 example, let's say the Cubix Managers</p> <p>16 Partnership Limited has a custody or</p> <p>17 securities account at ED&F Man, and that</p> <p>18 holds Danish securities.</p> <p>19 Would you agree that legal title to</p> <p>20 those securities is held by the account</p> <p>21 owner? In this case, Cubix Managers Limited</p> <p>22 Partnership?</p> <p>23 MR. BINDER: Objection, calls for a</p> <p>24 legal conclusion.</p> <p>25 A Could you ask your question again,</p>

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<p style="text-align: right;">Page 106</p> <p>1 please?</p> <p>2 Q Sure. I gave you an example of</p> <p>3 Cubix Managers Partnership Limited, which has</p> <p>4 a custody or securities account with</p> <p>5 ED&F Man.</p> <p>6 Are you with me so far?</p> <p>7 A Yes.</p> <p>8 Q If that custody account holds</p> <p>9 Danish securities, would you agree with me</p> <p>10 that legal title to those securities, under</p> <p>11 the plan's various agreements with ED&F Man,</p> <p>12 is held by the account owner, in this case,</p> <p>13 Cubix Managers Limited Partnership?</p> <p>14 MR. BINDER: Objection, calls for a</p> <p>15 legal conclusion.</p> <p>16 A Mr. Oxford, ED&F Man as a broker</p> <p>17 would, of course, acquire the shares, as</p> <p>18 instructed by the pension plans, for them.</p> <p>19 Q And would the shares, once acquired</p> <p>20 by ED&F Man as broker and are sitting in the</p> <p>21 securities or custody account at ED&F, is the</p> <p>22 legal title to those securities held by, in</p> <p>23 my example, Cubix Managers Partnership</p> <p>24 Limited or someone else?</p> <p>25 MR. BINDER: Objection to form,</p>	<p style="text-align: right;">Page 107</p> <p>1 calls for a legal conclusion.</p> <p>2 MR. BLESSINGTON: Object as to</p> <p>3 form.</p> <p>4 A I don't know.</p> <p>5 Q Are you familiar -- I think you</p> <p>6 told me you were familiar with Zeta Financial</p> <p>7 Partners.</p> <p>8 Correct?</p> <p>9 A -- zeta, did you say?</p> <p>10 Q All right. You say, "potato," I</p> <p>11 say "potato."</p> <p>12 A My apologies. No, I wasn't sure if</p> <p>13 I heard correctly.</p> <p>14 Q Zeta --</p> <p>15 A Yes.</p> <p>16 Q -- Financial Partners?</p> <p>17 A Yes, I'm familiar with them as an</p> <p>18 investment manager.</p> <p>19 Q Okay. And are you familiar with</p> <p>20 the plans to which they were investment</p> <p>21 manager?</p> <p>22 A I don't remember the exact plans</p> <p>23 right now.</p> <p>24 Q I'm going to refer -- there's only</p> <p>25 three, so it's a little bit easier than Acer.</p>
<p style="text-align: right;">Page 108</p> <p>1 The Acorn Capital Plan -- withdrawn. Let me</p> <p>2 start again.</p> <p>3 I will refer to three plans; the</p> <p>4 Acorn Capital Strategies LLC Employee Pension</p> <p>5 Profit-sharing Plan, the Sterling Alpha LLC</p> <p>6 401(k) Profit Sharing Plan, and the Cambridge</p> <p>7 Way LLC 401(k) Profit Sharing Plan. I will</p> <p>8 refer to those three as "the Zeta plans."</p> <p>9 Will you understand what I'm</p> <p>10 talking about?</p> <p>11 A Okay. Yes, I understand.</p> <p>12 Q Okay. Similar question to the one</p> <p>13 I had with Acer.</p> <p>14 What was Zeta's business</p> <p>15 relationship, if any, with ED&F Man?</p> <p>16 A I know that Zeta was the investment</p> <p>17 manager for a number of pension plans that</p> <p>18 were clients of ED&F Man.</p> <p>19 Q Did Zeta provide any services to</p> <p>20 ED&F Man?</p> <p>21 A I am not aware of any services that</p> <p>22 Zeta provided to ED&F Man.</p> <p>23 Q Did ED&F Man provide any services</p> <p>24 to Zeta?</p> <p>25 A I'm not aware of any services that</p>	<p style="text-align: right;">Page 109</p> <p>1 ED&F Man provided to Zeta.</p> <p>2 Q Are you aware that prior to</p> <p>3 onboarding the three Zeta plans at ED&F Man,</p> <p>4 Zeta conducted dividend arbitrage strategy</p> <p>5 trading for some of the Zeta plans through</p> <p>6 Solo Capital Partners LLP?</p> <p>7 A I'm sorry. Could you ask that</p> <p>8 again?</p> <p>9 Q Sure.</p> <p>10 Are you aware that prior to</p> <p>11 onboarding the three Zeta plans at ED&F Man,</p> <p>12 Zeta conducted dividend arbitrage trading for</p> <p>13 some of the Zeta plans through a company</p> <p>14 called Solo Capital Partners?</p> <p>15 A I don't know.</p> <p>16 Q Do you know one way or the other</p> <p>17 whether ED&F was aware, prior to onboarding</p> <p>18 the three Zeta plans, that Zeta and the Zeta</p> <p>19 plans had a prior relationship with Solo</p> <p>20 Capital Partners?</p> <p>21 A I do not know.</p> <p>22 Q Can I ask you to turn to</p> <p>23 Exhibit 4181? It's in Binder 3, Tab 59.</p> <p>24 A Sorry. Which tab, Mr. Oxford?</p> <p>25 Q Fifty-nine. Five-nine.</p>

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29 (Pages 110 to 113)

Page 110	Page 111
<p>1 A Yeah.</p> <p>2 MR. BINDER: This is 4181?</p> <p>3 MR. OXFORD: Oh, yeah, sorry.</p> <p>4 That's my -- I'm taking you to exactly</p> <p>5 the wrong document. Apologies. I can't</p> <p>6 read my own handwriting. Let's try</p> <p>7 again.</p> <p>8 Q Exhibit 1590? Slightly different.</p> <p>9 Binder 1, Exhibit 5, Tab 5.</p> <p>10 A Binder 1, Tab 5.</p> <p>11 Q Yeah.</p> <p>12 A Okay. Bear with me.</p> <p>13 Q Sure.</p> <p>14 Are you with me?</p> <p>15 A Yeah.</p> <p>16 Q So you should have a three-page</p> <p>17 document with a "John Doscas Exhibit 1590" on</p> <p>18 it?</p> <p>19 A I see that.</p> <p>20 Q Great. Okay.</p> <p>21 Are you familiar with this</p> <p>22 document, sir? Have you seen it before?</p> <p>23 A I don't recall seeing this document</p> <p>24 before.</p> <p>25 Q Are you familiar with the powers of</p>	<p>1 attorney that the Zeta plans entered into</p> <p>2 with Zeta Financial Partners?</p> <p>3 A I've seen other powers of attorney.</p> <p>4 I don't recall seeing this one or not.</p> <p>5 I'm not familiar with any</p> <p>6 specific --</p> <p>7 Q Okay. Do you know one way or</p> <p>8 another whether ED&F required this type of</p> <p>9 power of attorney to be entered into between</p> <p>10 the Zeta plans and Zeta?</p> <p>11 MR. BINDER: Objection to form,</p> <p>12 vague.</p> <p>13 A I recall the powers -- power of</p> <p>14 attorneys were signed for the Zeta plans and</p> <p>15 Zeta.</p> <p>16 Q Okay. Beyond the fact the power of</p> <p>17 attorneys were signed, do you have any more</p> <p>18 information about the background and why any</p> <p>19 specific terms were included in the powers of</p> <p>20 attorney?</p> <p>21 A No, I don't.</p> <p>22 Q Directing your attention to the</p> <p>23 first paragraph that begins, "References</p> <p>24 made" -- are you with me?</p> <p>25 A Yes.</p>
Page 112	Page 113
<p>1 Q "References made to transactions</p> <p>2 under which the plan will engage ED&F Man</p> <p>3 Capital Markets Limited to set up a synthetic</p> <p>4 liquidity facility under which the plan will</p> <p>5 enter into a series of documents and</p> <p>6 agreements."</p> <p>7 Do you see that?</p> <p>8 A I can see that's what the document</p> <p>9 says.</p> <p>10 Q Did the plan -- in this case, the</p> <p>11 Sterling Alpha LLC 401(k) Plan -- set up a</p> <p>12 synthetic liquidity facility with ED&F Man?</p> <p>13 A I don't know.</p> <p>14 Q Do you have any understanding of</p> <p>15 what a "synthetic liquidity facility" is?</p> <p>16 A I don't have an understanding of</p> <p>17 what a synthetic liquidity facility is.</p> <p>18 Q The next paragraph says, "This will</p> <p>19 enable the plan to execute a Delta One</p> <p>20 arbitrage trading strategy in listed equities</p> <p>21 and futures and OTC options, and to buy and</p> <p>22 sell equities and futures and in furtherance</p> <p>23 of same," and it goes on.</p> <p>24 Did you understand that the</p> <p>25 Sterling Alpha Plan was executing a Delta One</p>	<p>1 arbitrage trading strategy in listed Danish</p> <p>2 equities?</p> <p>3 A (Witness reviewing.)</p> <p>4 Mr. Oxford, could you ask the</p> <p>5 question again?</p> <p>6 Q Sure.</p> <p>7 Did you understand that the</p> <p>8 Sterling Alpha Plan was executing a Delta One</p> <p>9 arbitrage trading strategy in listed Danish</p> <p>10 equities?</p> <p>11 A I -- I don't know.</p> <p>12 Q Did you have any understanding of</p> <p>13 what the trading strategy was of the Sterling</p> <p>14 Alpha Plan, or any of the defendant plans</p> <p>15 was, with respect to Danish securities?</p> <p>16 A I believe they were dividend</p> <p>17 arbitrage trading strategies.</p> <p>18 Q Okay. And what does that mean to</p> <p>19 you when you tell us that they were "dividend</p> <p>20 arbitrage trading strategies?"</p> <p>21 A Dividend arbitrage trading</p> <p>22 strategies that the pension plans had were to</p> <p>23 acquire shares prior to an ex date in order</p> <p>24 to receive a dividend. And I understand</p> <p>25 these to be shares in which they believed</p>

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<p style="text-align: right;">Page 114</p> <p>1 they were entitled to a hundred percent of 2 the dividend. 3 Q What does the "arbitrage" portion 4 of "dividend arbitrage trading" mean in your 5 answer? 6 A "Arbitrage" refers -- oh, I think 7 Mr. Binder is -- 8 MR. OXFORD: He appears to have low 9 bandwidth. Insert your own joke. Let's 10 pause until we get Mr. Binder back. 11 THE VIDEOGRAPHER: Stand by. The 12 time is 10:04 a.m. New York time and 13 we're going off the record. 14 (Brief recess taken.) 15 THE VIDEOGRAPHER: Stand by. The 16 time is 10:20 a.m. New York time and 17 we're back on record. 18 MR. OXFORD: Mike, can I trouble 19 you to read back the last two questions 20 just for context? Mr. Hashemi was 21 halfway through an answer when 22 Mr. Binder's connection cut out. 23 (Whereupon the record was read back 24 by the reporter.) 25 Q Okay. Would you please complete</p>	<p style="text-align: right;">Page 115</p> <p>1 your answer? 2 A "Arbitrage" refers to the 3 opportunity -- which, in this case, was the 4 pension plans -- being entitled to 5 100 percent of the dividend. 6 Q You reference in your earlier 7 answer that the pension plans believed they 8 were entitled to a hundred percent of the 9 dividend. 10 Does ED&F have a view on whether 11 the pension plans were entitled to 100 12 percent of the dividend on the tax vouchers 13 that they issued to the defendant plans? 14 A This was the pension plan's 15 strategy, and in line with their tax 16 exemptions, which were checked as part of the 17 onboarding process when onboarding the 18 pension plans. 19 Q My question's a little different, 20 though, sir. 21 Did ED&F have a view on whether the 22 pension plans were entitled to 100 percent of 23 the dividend on the tax vouchers that they 24 issued to defendant pension plans? 25 A I don't know.</p>
<p style="text-align: right;">Page 116</p> <p>1 Q Can you turn, please, to the 2 deposition notice again? I think it's the 3 first binder. 4 A Yeah, it's 28. 5 Q Something like that, 28, 29. 6 A Okay. I have it. 7 Q Great. Okay. 8 Turning your attention to 9 Paragraph 13? 10 A Okay. 11 Q Are you there, sir? 12 A Topic 13, yes. 13 Q Great. So Topic 13 is "ED&F's 14 Shadow system, including the process by which 15 records were entered and controls over such 16 entries." 17 Do you see that? 18 A I do see that in the document. 19 Q And is that a topic on which you 20 prepared yourself to testify today? 21 A It is the topic -- it is a topic 22 which I've prepared, as best I could, to 23 testify today. 24 Q Okay. What was the -- tell us 25 about your best.</p>	<p style="text-align: right;">Page 117</p> <p>1 How did you prepare on this topic? 2 A I reviewed numerous documents, 3 numerous extracts from Shadow, Mr. Oxford. I 4 then spoke with Sue Wood and Lucy Jenkins, 5 and -- to learn more about -- or ask 6 questions I would have had about Shadow, 7 and -- yes, that's it. 8 Q What is Shadow? 9 A Shadow is a software that's used 10 for back office and settlements. 11 Q Can you explain what you mean by 12 "back office" in this answer? 13 A Used by -- or should I say, used 14 for the operations to support the -- the 15 equity finance desk. 16 Q Is it a proprietary software or 17 does ED&F Man license it? 18 A It is not a proprietary software. 19 It is licensed by, I believe, 20 Shadow -- Shadow Financial Systems, Inc. or 21 something along those lines. 22 Q Turning the page to Topic 14, 23 Topic 14 is "ED&F's book and records, 24 including ED&F's recording of the purchase 25 sale, borrowing, lending, hedging, and</p>

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<p style="text-align: right;">Page 118</p> <p>1 ownership of shares, and any cash transferred</p> <p>2 in connection with any transaction relating</p> <p>3 to the shares, including purported dividend</p> <p>4 income on shares."</p> <p>5 Do you see that?</p> <p>6 A Yes, I see that.</p> <p>7 Q Is that a topic on which you are</p> <p>8 prepared to testify today?</p> <p>9 A It is a topic which I've prepared,</p> <p>10 as best I could, to testify today.</p> <p>11 Q Tell us, please, everything you did</p> <p>12 to prepare to testify on that topic.</p> <p>13 A Again, I saw many documents of</p> <p>14 ED&F Man's books and records, and extracts</p> <p>15 which referred to the -- the extracts which</p> <p>16 referred to the recordings that are mentioned</p> <p>17 in the topic. It says "including ED&F</p> <p>18 recordings of."</p> <p>19 And then I spoke with, again,</p> <p>20 Sue Wood and Lucy Jenkins.</p> <p>21 Q The documents that you reviewed,</p> <p>22 did they include ED&F Man's policies with</p> <p>23 respect to the maintenance of the books and</p> <p>24 records mentioned in Topic 14?</p> <p>25 A I've seen so many documents,</p>	<p style="text-align: right;">Page 119</p> <p>1 Mr. Oxford, that I don't recall exactly a</p> <p>2 policy referring to this exact -- what you</p> <p>3 referred to.</p> <p>4 Q Did the documents you reviewed in</p> <p>5 preparation for your testimony on Topic 14</p> <p>6 include the desk procedures for the equity</p> <p>7 finance desk?</p> <p>8 A I recall seeing desk procedures.</p> <p>9 Q Okay. So, just generally, can you</p> <p>10 walk me through how ED&F Man -- withdrawn.</p> <p>11 Let me start again.</p> <p>12 Can you walk me through the process</p> <p>13 ED&F followed for recording client trades</p> <p>14 that were made through the equity finance</p> <p>15 desk?</p> <p>16 A The trades would be inputted into a</p> <p>17 trade blotter called "Super Booker."</p> <p>18 Q Good name.</p> <p>19 A Excuse me?</p> <p>20 Q That's a good name.</p> <p>21 A Which would, through STP, go into</p> <p>22 Shadow and -- and would consist of the books</p> <p>23 and records of ED&F Man for the -- for a</p> <p>24 trade.</p> <p>25 Q Okay. How were trades initiated?</p>
<p style="text-align: right;">Page 120</p> <p>1 Is it fair to say all trades were</p> <p>2 initiated by clients in the equity finance</p> <p>3 desk?</p> <p>4 A In the majority of the cases, from</p> <p>5 my preparations that I have seen, and the</p> <p>6 clients have instructed the equity finance</p> <p>7 desk to acquire those shares.</p> <p>8 Q And in the minority of cases, did</p> <p>9 the instruction happen in a different manner?</p> <p>10 A Actually, sorry. I would like to</p> <p>11 rephrase what I said.</p> <p>12 From all the cases that I recall</p> <p>13 seeing, the investment manager instructed the</p> <p>14 equity finance desk to acquire shares.</p> <p>15 Q So it's fair to say the trades were</p> <p>16 not initiated by ED&F Man.</p> <p>17 Rather, they were initiated by the</p> <p>18 investment manager?</p> <p>19 A Yeah. So to recall from all of the</p> <p>20 documents that I recall seeing, the</p> <p>21 instruction comes from, typically, the</p> <p>22 investment manager.</p> <p>23 Q Okay. And the request from the</p> <p>24 investment manager comes how? Does it come</p> <p>25 by e-mail, by phone?</p>	<p style="text-align: right;">Page 121</p> <p>1 Any other ways?</p> <p>2 A I've seen, obviously, many e-mail</p> <p>3 instructions, but I recall from the mandates</p> <p>4 of the desk that they're able to take orders</p> <p>5 by voice.</p> <p>6 Q So ED&F could consider a trade</p> <p>7 placed when that trade is placed orally.</p> <p>8 Is that correct?</p> <p>9 A By telephone, yes.</p> <p>10 Q And how -- in the case -- the</p> <p>11 example you've just given me of a telephone</p> <p>12 order to place a trade, how would that be</p> <p>13 recorded in ED&F's systems?</p> <p>14 A So the telephones of the front</p> <p>15 office desk, the trading desk, would be a</p> <p>16 recorded medium.</p> <p>17 Q So did ED&F keep records of all</p> <p>18 communications, including trade requests that</p> <p>19 were placed via ED&F's official telephones?</p> <p>20 A Sorry. Could you ask that again?</p> <p>21 Q Yeah, that was a crappy question.</p> <p>22 Let me try again.</p> <p>23 So if a trade order was placed by</p> <p>24 telephone to an ED&F telephone line, would</p> <p>25 that communication, that voice communication,</p>

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1 be recorded by ED&F Man?

2 A So the telephones that were
3 recorded, the recorded mediums would be
4 stored by ED&F Man in line with regulations
5 at the time.

6 Q And what was the retention policy
7 for communications made in the manner you've
8 described between 2015 and -- sorry, 2012 and
9 2015?

10 MR. BINDER: Objection, vague.

11 A Sorry, Mr. Oxford.

12 Q If the -- let me ask it again.

13 If -- if a trade was placed by
14 telephone in -- let's say 2015, and that
15 trade was placed on an official desk line,
16 that communication would be recorded by ED&F.
17 Correct?

18 A So, yes. What I said last time was
19 the telephone lines that were recorded for
20 the front office desk were recorded medium
21 and stored in line with the regulations at
22 the time, yes.

23 Q Okay. And for recordings that were
24 made in 2015, how long were those required to
25 be kept for under FCA regulations?

Page 123

1 A Having asked the question, I
2 believe it was 30 days, but I must point that
3 I'm not sure I remember exactly.

4 But I believe it was 30 days.

5 Q Okay. So after an order has been
6 made, whether by e-mail or by telephone, how
7 does that information get into ED&F's
8 systems?

9 Is it first inputted into the trade
10 blotter?

11 A So after the trade has been
12 executed, it would be inputted into the trade
13 blotter.

14 Q What do you mean by "executed?"

15 A So -- as in once the order has been
16 filled.

17 Q What do you mean, "the order has
18 been filled?"

19 A So an instruction would come in to
20 the desk. And once that instruction has been
21 filled, I believe it would then be inputted
22 into Super Booker, the trade blotter.

23 Q And who, in terms of personnel,
24 would enter that information into the trade
25 blotter?

Page 124

1 A It would be the people on
2 that -- the finance desk.

3 Q And would that information from the
4 trade book blotter automatically be
5 transferred into Shadow?

6 A Yes. So it's through STP, through
7 to Shadow.

8 Q What's STP?

9 A Straight-Through Processing.

10 Q Can I ask you to turn to
11 Exhibit 4188? It's in -- it's Binder 3,
12 Tab 66.

13 MR. OXFORD: Mark this as
14 Exhibit 4188.

15 (Whereupon the above mentioned was
16 marked for Identification.)

17 A Okay.

18 Q This is a structured equity
19 desk -- finance desk procedures document
20 starting at Bates 009.

21 Do you have the same document I do?

22 A I believe I do, yes.

23 Q Great.

24 Is this a document that you're
25 familiar with, sir?

Page 125

1 A I have seen a document of this type
2 before. I don't know if it's this exact
3 version.

4 Q Did you see a document of this type
5 as you were preparing for your deposition?

6 A I did see a document of this type
7 in my preparations for this deposition.

8 Q Great. That should speed things up
9 a little bit.

10 What's the purpose of this
11 document?

12 A The desk procedures outline some of
13 the, I guess, operational procedures of the
14 desk.

15 I believe we've -- we seem to have
16 lost Mr. Binder again. Oh, no, he's back.

17 Sorry.

18 Q Okay. Were you finished with your
19 answer? I have, "The desk procedures outline
20 some of the, I guess, operational procedures
21 of the desk."

22 A Yes, I was done with my question,
23 with my response.

24 Q Okay. Is it fair to say that this
25 document outlines the policies and procedures

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33 (Pages 126 to 129)

<p style="text-align: right;">Page 126</p> <p>1 that the equity finance desk was required to 2 follow when booking trades? 3 MR. BINDER: Objection to form. 4 A The procedures outline operational 5 procedures. 6 Q Which the equity finance desk is 7 required to follow when booking trades. 8 Correct? 9 MR. BINDER: Objection to form. 10 A I don't know. 11 Q What's -- if the equity finance 12 desk wasn't required to follow the 13 instructions in this document, what's the 14 purpose of the document? 15 MR. BINDER: Objection to form, 16 vague, lacks foundation. 17 A Mr. Oxford, I don't know how else 18 to say it. Desk procedures, they outline 19 some of the operational procedures of the 20 desk. 21 Q Okay. I think we're just talking a 22 little bit past each other. 23 I assume this is intended to 24 reflect reality on what the equity desk both 25 did do and was intending to do?</p>	<p style="text-align: right;">Page 127</p> <p>1 MR. BINDER: Objection to form, 2 compound, vague. 3 A The desk procedures intend to 4 describe the operational sum of -- the 5 operational procedures of the desk. 6 Q Okay. Can you turn to Page 2? 7 You'll see a heading, "Trade Mandate." 8 A I see that. 9 Q Okay. Is it correct that that sets 10 out four items that the equity finance desk 11 employees were required to do or to confirm 12 before trading? 13 A (Witness reviewing.) 14 I can see that's what the document 15 says. 16 Q Does this document reflect the 17 requirements that the equity finance desk 18 must comply with before booking a trade? 19 A Sorry. Are you referring to 20 the -- under the section of the "Trade 21 Mandate," or are you referring to the whole 22 document as a whole? 23 Q The "Trade Mandate." 24 A (Witness reviewing.) 25 I can see the document lists four</p>
<p style="text-align: right;">Page 128</p> <p>1 items. It says here, "Ahead of trading, the 2 desk must confirm." 3 Q Did you see any record kept of 4 whether these steps were complied with for 5 ED&F's execution of Danish trading on behalf 6 of the defendant plans? 7 A I don't know. 8 Q Under the heading, "Trade 9 Execution," it says, "Prior to initiating 10 structured client trade involving a 11 derivative hedge" -- let's just pause there. 12 Did the Danish trading done by the 13 defendant plans involve a derivative hedge? 14 A The trading structures of the 15 pension plans involved a derivative hedge. 16 Q So can we agree that this 17 procedures document requires the equity 18 finance desk to create a trade ticket 19 detailing the economics involved, including 20 the trade date, settlement date, prices, 21 quantity, and expected P&L? 22 MR. BINDER: Objection to form. 23 A I can see here that it says, "The 24 desk will create a trade ticket detailing the 25 economics involved, including trade dates,</p>	<p style="text-align: right;">Page 129</p> <p>1 settlement date, prices, quantity, and 2 expected P&L." 3 Q And does that reflect the procedure 4 that the equity finance desk was required to 5 follow in 2012 through 2015? 6 A I don't know. 7 Q Do you know one way or another 8 whether the equity finance desk did, in fact, 9 create a trade ticket as described in that 10 first sentence? 11 A I don't know. 12 Q The next sentence says, "Trade 13 tickets will be saved in the following 14 location," and then gives a location in what 15 appears to be an "S drive." 16 Do you see that? 17 A I can see that's what the document 18 says. 19 Q And the "S drive" is a server held 20 by ED&F Man. 21 Correct? 22 A The "S drive" is a shared drive in 23 ED&F Man. 24 Q Do you know whether the equity 25 finance desk followed the instructions in the</p>

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34 (Pages 130 to 133)

<p style="text-align: right;">Page 130</p> <p>1 desk procedures manual and saved the trade 2 tickets in that location on the "S drive?" 3 A I do not know. 4 Q Did you ask the lawyers whether the 5 trade tickets were saved to the "S drive?" 6 A I don't recall, Mr. Oxford. 7 Q The last paragraph refers to stock 8 loans. It says, "When the equity finance 9 desk transacts a stock loan, the term trade 10 sheets will be created." 11 Do you see that? 12 A I see it differently to how you 13 read it. I see it says "when the equity 14 finance desk transacts a stock loan, trade 15 term sheets will not be created." 16 Q Oh, you're quite right. Thank you 17 for the correction. 18 It says, "All economics will be 19 recorded within the trade blotter." 20 Do you see that? 21 A Yes, I see that. 22 Q So does that mean that for stock 23 loan transactions executed through the equity 24 finance desk, the economics are recorded in 25 the trade blotter and then transferred to</p>	<p style="text-align: right;">Page 131</p> <p>1 Shadow? 2 A The document says, "All economics 3 will be recorded within the trade blotter." 4 Q And do you know one way or another 5 whether that happened? 6 A I have seen extracts in Shadow that 7 include stock loans. 8 Q What kind of information about a 9 structured client trade would be entered into 10 the trade blotter by the equity finance desk? 11 A Would you mind please asking the 12 question again? 13 Q Sure. 14 The document references a 15 "structured client trade." 16 What kind of information about a 17 structured client trade would be entered by 18 the equity finance desk into the trade 19 blotter? 20 A Details in relation to the equity 21 and also the hedge. 22 Q Would those details include trade 23 date? 24 A I believe they would. 25 Q Would those details include</p>
<p style="text-align: right;">Page 132</p> <p>1 settlement date? 2 A I believe they would. 3 Q Would those details include price? 4 A From the extracts of Shadow I've 5 seen, I think they would. 6 Q Would they include counterparty? 7 A Excuse me? 8 Q Would they include counterparty? 9 A I do not recall seeing 10 counterparty. 11 Q Any other details you recall that 12 the equity finance desk would enter into the 13 trade blotter on a structured client trade? 14 A Quantity. 15 We mentioned price, right? 16 Q We did. 17 A Details of the trade. If it was a 18 buy, for example. It could have been a sell. 19 Q Would it include the date on which 20 a stock loan was terminated or returned? 21 MR. BINDER: Objection to form, 22 lacks foundation. 23 THE WITNESS: I'm sorry, 24 Mr. Binder. I can't hear you very well. 25 MR. BINDER: I'm sorry. Objection</p>	<p style="text-align: right;">Page 133</p> <p>1 to form, lacks foundation. 2 Q He's trying to tell you you don't 3 know. 4 A No. Mr. Oxford, could you 5 repeat -- 6 MR. BINDER: Hang on, hang on, hang 7 on. I'm making an objection for the 8 record. Mr. Oxford, I would ask that 9 you stop making commentary and just ask 10 questions. 11 MR. OXFORD: Okay. If you can 12 limit your objections to form, then I 13 will. 14 MR. BINDER: Objection, form. 15 A Mr. Oxford, could you kindly repeat 16 your question? 17 Q Sure. 18 Would the information entered into 19 the trade blotter regarding stock loan 20 include the date on which the stock loan was 21 terminated or returned? 22 MR. BINDER: Objection, lacks 23 foundation. 24 A I don't recall. I don't remember 25 at this point in time.</p>

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35 (Pages 134 to 137)

Page 134

1 Q Can I ask you to go back to
2 Binder 2 and open Tab 32?
3 It's the short e-mail with many
4 attachments that Mr. Smith sent to the FSA.
5 MR. BINDER: What exhibit number is
6 that?
7 MR. OXFORD: It is 4154.
8 A Mr. Oxford, could you remind us me
9 when you said -- point to which tab?
10 Q I just scribbled on my piece of
11 paper with that important piece of
12 information. Thirty-two.
13 A Yes, I have the document in front
14 of me.
15 Q Great. Can you turn, please, to
16 Attachment O, as in "Oxford?"
17 MR. BINDER: Could I get a Bates
18 number, please?
19 MR. OXFORD: 351.
20 A Okay.
21 Q Do you have it there, sir? It says
22 "Securities Operation, Middle and Back
23 Office, Day One Procedures."
24 A I can see that's what the document
25 says.

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1 Q Have you seen this before?
2 A I may have done, but I don't
3 recall -- I don't recall at this moment in
4 time.
5 Q Okay. Just directing your
6 attention to the bottom of the first page,
7 there's a list of systems.
8 Were those systems that the middle
9 and back office was required to use in
10 connection with equity finance operations?
11 MR. BINDER: Objection, compound,
12 lacks foundation.
13 A I can see that there is systems
14 listed here, Mr. Oxford.
15 Q And were these systems used in
16 generating and maintaining the books and
17 records of ED&F as described in Topic 14 of
18 the deposition notice?
19 MR. BINDER: Objection to form.
20 A (Witness reviewing.)
21 Some of these systems are familiar,
22 that I have seen as part of my preparation.
23 Q Which ones?
24 A The first one, CBS, Shadow, and
25 Bloomberg.

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1 Q Okay. You're not familiar with the
2 other systems mentioned there?
3 A (Witness reviewing.)
4 Not in the scope of this
5 deposition.
6 Q And otherwise, do you have personal
7 knowledge of any of these other systems
8 mentioned at the bottom of Page 3?
9 A I have personal knowledge of Toms.
10 Q What is Toms?
11 A If it refers to what I believe it
12 refers to, which is Bloomberg/Toms, which is
13 a trade blotter.
14 Q Is that the same trade blotter you
15 were telling us about earlier?
16 A No. I was telling you about
17 Super Booker.
18 Q I see. At some point, did the
19 equity finance desk move from using the Toms
20 trade blotter to Super Booker?
21 A I don't know.
22 Q You mentioned Shadow again.
23 Is it accurate that the Shadow data
24 reflects the booking of trades but not the
25 settlement of trades?

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1 A When a trade is settled, I believe
2 that is reflected in Shadow.
3 Q If a trade settles later than
4 anticipated, is that late settlement
5 reflected anywhere in Shadow?
6 A If a trade settles, it will be
7 reflected in Shadow.
8 Q And if it settles later than
9 anticipated, will that late settlement be
10 reflected in Shadow?
11 A I believe it would.
12 Q In what form did ED&F Man receive
13 settlement records?
14 A These would be, I believe, in the
15 form of SWIFTS.
16 Q These would be from ED&F Man's
17 sub-custodians, BNP and SEB, that we talked
18 about earlier?
19 A I believe so.
20 Q Does Shadow include data for
21 borrows and loans of securities?
22 A I believe Shadow does include data
23 for borrows and loans.
24 Q And if a security is transferred
25 between the accounts of two clients of

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36 (Pages 138 to 141)

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1 ED&F Man, would that transfer be reflected in
2 Shadow?

3 A Shadow will reflect all
4 information -- actually, to rephrase -- any
5 amendments or changes to a trade will be
6 reflected in Shadow.

7 Q Are you familiar with a term
8 "rehypothecation?"

9 A I'm familiar with the term
10 "rehypothecation."

11 Q And what does it mean to you?

12 A Rehypothecation is where ED&F Man
13 as the broker, and in line with -- I believe
14 it's Clause 10(B)2 of the Terms of
15 Business -- has a right to those assets.

16 Actually, could I rephrase,
17 Mr. Oxford? I mean to say "has a charge over
18 those assets."

19 Q And what is "rehypothecation?"

20 A Rehypothecation is where the broker
21 in this case, ED&F Man, is able to use or has
22 a charge to use the assets owned by the
23 pension plans for other purposes.

24 Q And if ED&F were to rehypothecate a
25 security owned by a defendant plan, would

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1 that rehypothecation be reflected in Shadow?

2 A The rehypothecation would be
3 reflected in Shadow, in the B-line accounts.

4 Q You told us earlier that Shadow
5 contains data from trade confirmations.

6 What other sources of information
7 is -- are fed into Shadow?

8 A Sorry, Mr. Oxford. I don't recall
9 saying information necessarily from trade
10 confirmations.

11 Q I'm sorry. I didn't mean to
12 misquote you.

13 A It's okay. The equity finance desk
14 would input the relevant details to a trade
15 into Super Booker, which would, through STP,
16 flow into Shadow.

17 Q If a trade is amended after it has
18 been entered into Super Booker, how is any
19 amendment reflected in Shadow, if it is?

20 A Amendments are reflected in Shadow.
21 It's -- there is typically a -- a new entry
22 to reflect the amendment, with original entry
23 marked as an original and the new amended
24 entry to be marked as replacement.

25 Q Is any information ever deleted

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1 from Shadow?

2 A I don't believe information can be
3 deleted from Shadow.

4 Q Is it accurate that Shadow has a
5 number of -- I think they're termed
6 "environments" within ED&F?

7 A Could you be a bit more specific
8 about what you mean by "environments?"

9 Q Yeah. There are different -- I
10 hesitate to use the word "versions," but
11 there are different instances of Shadow where
12 data -- different data may be stored.

13 For example, there may be a version
14 or an instance of Shadow that contains data
15 from Volcafe.

16 A Okay.

17 Q Do you get what I'm trying to say?

18 MR. BINDER: So, with that
19 explanation, maybe just ask the question
20 again, Neil, just to make sure we're
21 clear?

22 MR. OXFORD: Sure.

23 Q Is it accurate there are a number
24 of different environments in ED&F's Shadow
25 system?

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1 A There are different environments,
2 or should I say points of entry in Shadow.

3 Q And is there a different
4 environment or point of entry for
5 transactions involving MPT Dubai?

6 A So MPT Dubai would have its own
7 environment which is segregated from the
8 other entities, unless, of course,
9 Mr. Oxford, as I said earlier, where it was
10 acting as a -- or it was a client of
11 ED&F Man.

12 Q I see. That's helpful.

13 Is the same true of Volcafe?

14 A I believe it is.

15 Q Is the Dubai -- is the MPT Dubai
16 instance of Shadow called "D-1?"

17 A I don't know.

18 Q Is the Volcafe instance of Shadow
19 known as "V-1?"

20 A I don't know.

21 Q All of your -- the information that
22 you've described for us in -- that's
23 contained in Shadow and how it works, is that
24 reflected, to the best of your knowledge, on
25 the extracts of Shadow that have been

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37 (Pages 142 to 145)

<p style="text-align: right;">Page 142</p> <p>1 produced to SKAT in this litigation?</p> <p>2 MR. BINDER: Objection to form,</p> <p>3 lacks foundation.</p> <p>4 A The information that I described to</p> <p>5 you is in line with all of the documents that</p> <p>6 I saw, which I believe have been prepared for</p> <p>7 SKAT.</p> <p>8 Q Can you turn just briefly — I have</p> <p>9 a similar document for you to look at. It's</p> <p>10 in Binder 3, Tab 67 for you.</p> <p>11 MR. OXFORD: Neil, that's</p> <p>12 Exhibit 4189.</p> <p>13 (Whereupon the above mentioned was</p> <p>14 marked for Identification.)</p> <p>15 Q Okay. So we're on the same page,</p> <p>16 this is Bates 74845, and the front page is an</p> <p>17 "ED&F Man Capital Markets Equity Finance</p> <p>18 Operations High Level Overview."</p> <p>19 Correct?</p> <p>20 A Yes. This is the same document I'm</p> <p>21 seeing.</p> <p>22 Q Right. Great.</p> <p>23 Have you seen this document before,</p> <p>24 sir?</p> <p>25 A (Witness reviewing.)</p>	<p style="text-align: right;">Page 143</p> <p>1 I don't recall this exact document.</p> <p>2 Q Turning your attention to Page 5 at</p> <p>3 the bottom, there's a heading, "Manufactured</p> <p>4 Dividends."</p> <p>5 A Okay.</p> <p>6 Q The second paragraph below says,</p> <p>7 "The role will be supported by Shadow, our</p> <p>8 in-house dividend processing and</p> <p>9 reconciliation tool."</p> <p>10 Do you see that language?</p> <p>11 A I can see it says that.</p> <p>12 Q What do you understand by the</p> <p>13 description of Shadow as a "dividend</p> <p>14 processing and reconciliation tool?"</p> <p>15 A (Witness reviewing.)</p> <p>16 I understand the part of</p> <p>17 reconciliation, because in my preparations, I</p> <p>18 understood that the information in Shadow</p> <p>19 would be used to reconcile with all of</p> <p>20 ED&F Man's books and records.</p> <p>21 However, I'm unsure as to the other</p> <p>22 parts of dividend processing.</p> <p>23 Q How was Shadow used to reconcile</p> <p>24 with all of ED&F Man's books and records with</p> <p>25 respect to dividends?</p>
<p style="text-align: right;">Page 144</p> <p>1 A I know that the information in</p> <p>2 Shadow was used to reconcile to SWIFTS from</p> <p>3 the sub-custodian, but that's as far as I'm</p> <p>4 able to comment.</p> <p>5 Q Who was responsible for that</p> <p>6 reconciliation process?</p> <p>7 A It would have been someone in the</p> <p>8 securities operations team.</p> <p>9 Q Was any of the dividend</p> <p>10 reconciliation automated?</p> <p>11 A I don't know.</p> <p>12 Q Is it fair to say from your earlier</p> <p>13 answers that you're not familiar with any of</p> <p>14 the information that ED&F provided to the FCA</p> <p>15 in connection with its investigation relating</p> <p>16 to MPT Dubai?</p> <p>17 A I don't know.</p> <p>18 Q You don't know whether you're</p> <p>19 familiar with it or —</p> <p>20 A Sorry. Apologies.</p> <p>21 Could you ask the question again?</p> <p>22 Q Sure.</p> <p>23 Do you remember our discussion</p> <p>24 earlier about the deposition topic, which was</p> <p>25 24, the FCA's investigation into ED&F Man's</p>	<p style="text-align: right;">Page 145</p> <p>1 custody business and trading in Danish</p> <p>2 shares?</p> <p>3 A I recall our conversation.</p> <p>4 Q Are you familiar with any of the</p> <p>5 information that ED&F has provided to the FCA</p> <p>6 relating to MPT Dubai in connection with that</p> <p>7 investigation?</p> <p>8 A I'm not familiar.</p> <p>9 Q Okay. Can I go off for one second?</p> <p>10 Thanks.</p> <p>11 THE VIDEOGRAPHER: Do you want to</p> <p>12 go off record, Neil?</p> <p>13 (Whereupon a discussion was held</p> <p>14 off the record.)</p> <p>15 MR. OXFORD: Yeah, can we go off</p> <p>16 for two minutes?</p> <p>17 THE VIDEOGRAPHER: Stand by. The</p> <p>18 time is 11:14 a.m. New York time and</p> <p>19 we're going off the record.</p> <p>20 (Brief recess taken.)</p> <p>21 THE VIDEOGRAPHER: Stand by. The</p> <p>22 time is 11:26 a.m. New York time and</p> <p>23 we're back on record.</p> <p>24 Q Okay. Mr. Hashemi, I would like to</p> <p>25 ask you some questions about some of the</p>

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38 (Pages 146 to 149)

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1 Shadow extracts that are produced to us. It
 2 seems like you will have reviewed them in
 3 your preparation, which will speed things
 4 along, and I appreciate that.
 5 I would like to start with
 6 Exhibit 4189, but I'd like you to open the
 7 native format.
 8 Is that something that you can do?
 9 A I think so.
 10 MR. BINDER: Shahab, do you have
 11 the documents on the e-mail on
 12 the computer that you're using?
 13 THE WITNESS: Yeah, there's a flash
 14 drive here.
 15 Q Right. Could you open up
 16 Exhibit 4198, please -- oh, sorry, 4193.
 17 Yeah -- you know, let's start at the
 18 beginning. Let's do 4191.
 19 MR. OXFORD: Mark 4191.
 20 (Whereupon the above mentioned was
 21 marked for Identification.)
 22 MR. BINDER: So just so we're
 23 clear, we're looking at an Excel
 24 spreadsheet right now, right?
 25 MR. OXFORD: Yeah.

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1 Q Can you take a moment, sir, and
 2 tell me if you're familiar with this
 3 document?
 4 A (Witness reviewing.)
 5 MR. BINDER: Shahab, do you have it
 6 opened yet?
 7 THE WITNESS: Yeah, it's just
 8 opened, if you can bear with me.
 9 Q Sure.
 10 A (Witness reviewing.)
 11 Okay.
 12 Q Is that a document that you've seen
 13 before, sir?
 14 A I'm not sure if I've seen this
 15 exact document. As I said, I've seen many.
 16 But the contents seem familiar.
 17 Q Does it appear to be an extract of
 18 Shadow data which is at least similar to that
 19 which has been produced to us by ED&F?
 20 A (Witness reviewing.)
 21 Q Well, let me withdraw that question
 22 and ask you a better one.
 23 I'll represent to you that
 24 Mr. Binder and his firm produced this to us
 25 as an extract of Shadow data from ED&F

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1 relating to Danish trading.
 2 Do you understand that
 3 representation?
 4 A I do, yes.
 5 Q Okay. And then, as part of your
 6 preparation for today, did you review
 7 documents that at least appear to be similar
 8 to this?
 9 A I did, yes.
 10 Q Okay. Great. Thank you.
 11 Do you know from which Shadow
 12 environment these files were exported?
 13 A (Witness reviewing.)
 14 I -- I'm unsure.
 15 Q Okay. Mr. Binder had represented
 16 to us that the Shadow data "clearly
 17 identifies each and every case where a trade
 18 was amended, canceled, or settled, and
 19 includes the date of such amendments."
 20 Is that an accurate description of
 21 the information contained in Shadow
 22 generally?
 23 MR. BINDER: And just for the
 24 record, I'm not looking at what letter
 25 you're reading from, so you'll have your

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1 representation. But I just -- I'm not
 2 necessarily disagreeing with it, but I
 3 don't want my silence in this context to
 4 be taken as an implicit agreement,
 5 although I may agree in fact.
 6 A Okay. So could you ask the
 7 question again?
 8 Q Sure.
 9 Mr. Binder had represented to us
 10 that the Shadow data "clearly identifies each
 11 and every case where a trade was amended,
 12 canceled, or settled, and Shadow includes the
 13 date of such amendments."
 14 Is that an accurate description of
 15 the Shadow data generally?
 16 A That is -- yes, that is accurate of
 17 the data in Shadow.
 18 Q Is it also an accurate statement as
 19 to the data that you understand was produced
 20 to SKAT?
 21 A Correct.
 22 Q So it's your understanding that the
 23 data that ED&F produced to SKAT includes
 24 information about where Shadow entries were
 25 amended?

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39 (Pages 150 to 153)

Page 150

1 MR. BINDER: Objection to form,
2 lacks foundation.

3 A In the documents that I've seen,
4 Mr. Oxford, I've seen Shadow extracts where
5 there were amendments in it.

6 Q And how were those amendments
7 indicated? How is it identified as an
8 amendment?

9 A As I mentioned, I recall seeing the
10 original trade being marked as "ORG," and the
11 amended trade, which was a new entry, being
12 marked as "REP," replacement.

13 Q And there's a field or a column for
14 that information in the Shadow extracts
15 you're talking about?

16 A Yes, there was a column.

17 Q Were entries ever canceled in
18 Shadow?

19 A I don't know.

20 Q Had it -- how did Shadow record the
21 settlement of trades?

22 A I think -- I believe -- or I should
23 say I recall seeing a column that was "Trade
24 Status," I think.

25 Q And the "Trade Status" would

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1 reflect whether a trade had settled or not?
2 Is that what you're telling us?

3 A I think so. I'm not a hundred
4 percent certain, because as I said, I have
5 seen so many of these documents.

6 And -- but I think -- I think so.

7 MR. BINDER: So Mr. Oxford, could I
8 interrupt you? Let me -- I just want to
9 go back. I see a representation from
10 you that this is an extract from Shadow.
11 We do not understand this to be an
12 extract from Shadow.

13 MR. OXFORD: What do you understand
14 it to be an extract from, Mr. Binder?

15 MR. BINDER: From something I
16 believe -- SEC Ops is what it's --

17 Q So is that consistent with your
18 understanding, sir? Mr. Hashemi?

19 A Yes, it is.

20 Q I think I asked you about SEC Ops
21 earlier, and you said you didn't know what it
22 was.

23 Is your information any better now
24 than it was a couple of hours ago?

25 A No, it's just -- I acknowledge that

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1 the data here is slightly different from that
2 I recall from Shadow, as I was trying to
3 allude to earlier. But that's as far as I'm
4 able to say.

5 Q Okay. So let's go back.

6 What is "SEC Ops?"

7 A SEC Ops refers to -- at least as I
8 know it -- to the securities operations team
9 within ED&F Man. But I noticed in the
10 document that it was also there from the
11 systems.

12 Q And do you understand SEC Ops to be
13 a system or database within ED&F Man?

14 A I'm not familiar with SEC Ops.

15 Q Okay. So when you were answering
16 my questions earlier, before Mr. Binder's
17 interjection about SEC Ops, were you
18 answering my questions with respect to the
19 Shadow data, rather than SEC Ops data with
20 which you're not familiar?

21 A Yes, I thought it would have been
22 an extract from Shadow. But as I said, I did
23 acknowledge that information was slightly
24 different.

25 Q Yeah. But in general, my question

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1 is about how, for example, any amendments are
2 represented in Shadow. And you told us about
3 the ORG and REP codes.

4 Those types of questions you were
5 answering with respect to your understanding
6 of Shadow.

7 Correct?

8 A Yes, from my preparation for this
9 deposition, and my understanding of Shadow.

10 Q Okay. Again, then, without
11 reference -- so let me ask you this way.

12 Do you understand, having had a
13 chance to look at this, that -- the data in
14 this exhibit, which is 4191, do you have any
15 understanding of what the data is?

16 MR. BINDER: First of all,

17 Mr. Hashemi, have you had a chance to
18 actually review this document?

19 MR. OXFORD: He had three minutes
20 at the front of the questioning, Neil.

21 MR. BINDER: No, I -- do you need
22 to look at this document? We started
23 this, Neil, with a -- what you -- a
24 representation from you that this was an
25 extract from Shadow. That was not

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40 (Pages 154 to 157)

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1 correct.
 2 This is the second deposition where
 3 you've made representations about
 4 something from ED&F. The other one was
 5 in Ms. Kaminer's deposition that was
 6 inaccurate. So it's confusing to the
 7 witness to be looking at something based
 8 on a representation on which he is
 9 expecting to be one thing and then
 10 finding out that it's not.
 11 So if, Mr. Hashemi, you need time
 12 to look at this document to answer
 13 Mr. Oxford's question, you should take
 14 all the time that you need.
 15 MR. OXFORD: Okay. And I object to
 16 that mischaracterization, which you will
 17 not be astonished to learn I disagree
 18 with.
 19 Q But if you need time to review this
 20 document and understand what it is, please
 21 feel free to take a moment.
 22 A (Witness reviewing.)
 23 Yeah, if you could give me a
 24 second.
 25 (Witness reviewing.)

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1 MR. OXFORD: While he's doing that,
 2 Neil, just to speed things along, could
 3 you take a look at the next two
 4 exhibits, 4192 and 4193, and let me know
 5 if you would agree with the
 6 representation that those were, in fact,
 7 produced to us by ED&F from the Shadow
 8 database?
 9 MR. BINDER: No. I'm going to
 10 stick with the deponent and follow along
 11 in deposition. And when you get to it,
 12 we can deal with it.
 13 A Okay. Mr. Oxford, so I can see
 14 that there are 4,912 rows in this
 15 spreadsheet. And so it would be impossible
 16 for me to, obviously, go through the whole
 17 thing.
 18 But if there's something specific
 19 that you'd like to ask me, I think I'm okay
 20 to.
 21 Q Okay. Why don't we open -- can you
 22 open 4192, please?
 23 MR. OXFORD: Mark this as 4192.
 24 (Whereupon the above mentioned was
 25 marked for Identification.)

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1 Q Let me know when you're there.
 2 A Okay. It's open.
 3 Q Okay. Can you tell me which system
 4 this data was -- withdrawn.
 5 This data was produced to us by
 6 ED&F Man by Mr. Binder and his cohorts.
 7 Can you tell me from which database
 8 or source within ED&F this data came?
 9 A Let me look at the document.
 10 (Witness reviewing.)
 11 Okay. So the information in this
 12 spreadsheet is in line with the types of
 13 information that I recall seeing in the
 14 extracts from Shadow.
 15 Q Okay. Taking a look at Column B,
 16 the heading is "TR-ID."
 17 What does that mean?
 18 A I believe that means "Transaction
 19 ID," either -- Mr. Oxford, it's either
 20 Trade ID or Transaction ID.
 21 Q And is that a unique identifier for
 22 the transaction at that particular line entry
 23 in the extract?
 24 A I believe it to be a unique
 25 identifier.

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1 Q Okay. Column G is headed "Ticket
 2 Sequence."
 3 What does that mean?
 4 A "Ticket Sequence" is a number -- as
 5 you can see, it's a number, and given to a
 6 particular trade.
 7 Q Column J, "E-X-T, R-E-F, I-D."
 8 What does that reference?
 9 A I'm uncertain, but if I had to
 10 guess, "EXT" may refer to External Reference
 11 ID.
 12 But again, I must note that I'm not
 13 sure.
 14 Q Okay. If you scroll to the right,
 15 do you see a column headed "Ticket State?"
 16 You'll see it in Column Y?
 17 A Column Y?
 18 Q Yes. What does that mean?
 19 A I see Column Y, "Ticket State."
 20 This refers to what I was explaining earlier,
 21 I believe, as to the type of tickets it is,
 22 to the type of entry it is, with the REP and
 23 the ORGs being as I referred to earlier.
 24 Q Okay. That's helpful. Thank you.
 25 And then, next to that, Column Z,

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41 (Pages 158 to 161)

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1 "Trade Transaction."
 2 A Yeah, I see the column that says
 3 "Trade Transaction."
 4 Q What information is contained in
 5 that column?
 6 A I understand that to mean type of
 7 transaction. So to give you a little further
 8 detail, "BUY" being a buy and "SEL" being a
 9 sell.
 10 Q Okay. And do you see "Trade
 11 Account" to the right?
 12 A Bear with me.
 13 Q Column O? Actually, sorry. I sent
 14 you in the wrong direction.
 15 My apologies, Mr. Hashemi.
 16 A Oh, it's to the left.
 17 Q It's to the left.
 18 "My bad," as they say over here.
 19 A It's okay. Bear with me.
 20 "Trade Account," Column O.
 21 I see that.
 22 Q Yes. What information is in that
 23 column?
 24 A I believe that refers to a -- an
 25 account number or an account of the -- of an

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1 entity.
 2 Q Of -- which kind of entity?
 3 Clients of ED&F Man?
 4 A I imagine it would include the
 5 clients of ED&F Man, yeah.
 6 Q But it could also include external
 7 non-clients?
 8 A I think it could include -- I'm
 9 uncertain, Mr. Oxford. But it includes the
 10 client accounts and other accounts used
 11 by -- by the desk.
 12 Q There's a Column AY -- so back to
 13 the right -- that is headed "Counterparty."
 14 Can you take a look at that and
 15 tell me what information is in there, please?
 16 A (Witness reviewing.)
 17 Okay. I see it, Column AY. It
 18 says -- it's titled "Counterparty."
 19 I believe it's -- it refers to the
 20 relevant counterparties for this ticket.
 21 Q And then, if you could scroll to
 22 the right, Column BM is headed "Master
 23 Account?"
 24 A Yeah, B -- was that "M" for
 25 "mother" or "November?"

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1 Q "M" for "mother."
 2 A Okay. I see it says "Master
 3 Account."
 4 Q What information is in that column?
 5 A In Shadow, as I understand it from
 6 the conversations and preparations that I've
 7 had, is that there are accounts -- or should
 8 I say master accounts -- so related accounts,
 9 like subaccounts, maybe, or a parent account.
 10 I believe that refers to a -- a
 11 master account, which is a -- which would be
 12 a parent account.
 13 Q Okay. And then, lastly, BG and BH,
 14 in those columns, there's a "Location 1" and
 15 a "Location 2."
 16 Could you take a look at those and
 17 tell me what data is in there, please?
 18 A Yeah.
 19 (Witness reviewing.)
 20 And I'm unsure, Mr. Oxford, of the
 21 data in these two columns.
 22 Q So there's a reference -- I'm
 23 looking in the first few rows to a prefix of
 24 a number of letters, and then "BNP."
 25 Does it relate to the sub-custodian

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1 where securities may be held?
 2 MR. BINDER: Objection, lacks
 3 foundation.
 4 A I'm just scrolling a bit further
 5 down. Sorry, I lost the column.
 6 You said it was "B" --
 7 Q "G" and "BH."
 8 A BG and BH. Yes, I found it.
 9 Sorry.
 10 (Witness reviewing.)
 11 I'm sorry. I don't know,
 12 Mr. Oxford.
 13 Q Okay. Do you also know why some of
 14 those rows are blank in Columns BG and BH?
 15 MR. BINDER: Objection. Withdrawn.
 16 A (Witness reviewing.)
 17 No. I'm sorry.
 18 I don't know why.
 19 Q When buys and sells are recorded in
 20 Shadow, are they recorded from the ED&F
 21 perspective or the ED&F client's perspective?
 22 A I believe them to be recorded from
 23 ED&F's perspective.
 24 Q Thank you. That's all I have for
 25 that document. Thank you, sir.

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42 (Pages 162 to 165)

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<p>1 Could I ask you to turn back to 2 5154? We looked at it earlier. 3 Let me just -- it's in your 4 Binder 2, Tab 32. 5 A Yeah. 6 MR. BINDER: What is the exhibit 7 number? 8 MR. OXFORD: It is 4154. 9 Q And if you could turn to 10 Attachment 0 as in "Oxford?" Again, it's the 11 document we were looking at -- 12 A Yeah. 13 Q -- before we had our Shadow detour, 14 and also our SEC Ops detour. Who knew? 15 Do you have the document there, 16 sir? 17 A I do. 18 Q Okay. Could I ask you to turn to 19 Page 7, please? There's a heading, 20 "Reconciliation and Controls." 21 It's on Bates 357. 22 A Okay. I see the heading. 23 MR. BINDER: Neil, hang on. I'm 24 having a little trouble. 25 So we're at document 4154?</p>	<p>1 MR. OXFORD: 4154, and Attachment 0 2 as in -- 3 MR. BINDER: Yeah, so I -- I just 4 need the attachment. But if you'd just 5 give me the Bates number? 6 MR. OXFORD: It is beginning 495351 7 and we're on Page 7. 8 MR. BINDER: Give me one second. I 9 don't have it. I don't have a document 10 495351, so. 11 MR. OXFORD: Any luck, Mr. Binder? 12 MR. BINDER: I'm not. So the 13 printout is literally missing that one 14 page. So I'm having to find it on -- 15 electronically. 16 So I have 4154. Is it "OP?" 17 MR. OXFORD: It's in "O," as in 18 "Oh, my goodness, we're having such a 19 good time." 20 MR. BINDER: 495351. I'm there. 21 Thank you. 22 MR. OXFORD: Okay. Great. 23 Q So it says, "To reconcile bank 24 accounts versus what we are expecting on our 25 dividend front sheet, we will receive daily</p>
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<p>1 statements from our agent banks, and we also 2 have access to the following." 3 So just pausing there for a moment, 4 what is a "dividend front sheet?" 5 A I don't know. In my preparations, 6 Mr. Oxford, I have seen documents 7 called -- referred to as "dividend 8 reconciliation sheets." 9 I'm unsure of what a "dividend 10 front sheet" is. 11 Q Okay. This document states that 12 "ED&F will receive daily statements from its 13 agent banks." 14 Did ED&F, in fact, receive daily 15 statements from its agent banks? 16 A From my conversations with Lucy 17 Jenkins and Sue Wood in preparation, where I 18 asked about reconciliation. 19 And I recall them saying that they 20 were daily reconciliations with the 21 sub-custodians via SWIFTS, if I'm not 22 mistaken. 23 Q Okay. We'll get back to that in 24 one second, sir. 25 But my question was: Did ED&F, in</p>	<p>1 fact, receive daily statements from its agent 2 banks as suggested in this document we're 3 looking at, which is the "Securities 4 Operations, Day One Procedures" of ED&F Man 5 Capital Markets? 6 MR. BINDER: Objection, lacks 7 foundation. 8 A I tried to answer as best I could. 9 I'm unsure, Mr. Oxford. I don't know. 10 Q Okay. So you don't know one way or 11 another whether ED&F received a daily 12 statement from its agent banks? 13 A I don't know. 14 Q Okay. Just following up, then, on 15 your conversation with Lucy Jenkins and 16 Sue Wood, can you tell me everything they 17 told you about the dividend reconciliation 18 process within ED&F Man? 19 A Sorry. I asked -- when I refer to 20 my statement, I said about reconciliations, 21 it was books and records. 22 Are you now asking specifically 23 about dividend reconciliation? 24 Q Oh, okay. Well, I can -- I think I 25 probably am asking about both.</p>